

## Message Text

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ACTION EUR-12

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TO SECSTATE WASHDC PRIORITY 7107

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

USMISSION NATO

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C O N F I D E N T I A L MADRID 6944

E.O. 11652: GDS

TAGS:ELAB, SP

SUBJECT: THE "HOT AUTUMN": COLLECTIVE BARGAINING

SUMMARY: WITH THE END OF THE VACATION PERIOD, THE "HOT  
AUTUMN" LABOR THEME IS RECEIVING GREATER ATTENTION, IN THE CONTEXT  
OF OPPOSITION CONCERN OVER GOVT'S POLITICAL AND LABOR  
REFORM PLANS. IN THE FIRST INSTANCE, HOWEVER, ANY  
LABOR UNREST AND STRIKE ACTIVITY WOULD LIKELY BE TRIGGERED  
THIS FALL BY EXPIRING CBAS AFFECTING SOME TWO MILLION  
WORKERS. OPPOSITION/LABOR CIRCLES HAVE BEEN TAKING THE  
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LINE THAT IT WILL BE THE GOVT'S FAULT, NOT THEIRS,

IF THE "HOT AUTUMN" COMES TO PASS. THE POSSIBILITY OF A GOVT FREEZE ON COLLECTIVE BARGAINING, COUPLED WITH WAGE INCREASES BY DECREE, IS ALSO RUMORED. AT THIS WRITING, WE ARE NOT SURE JUST HOW MUCH LABOR UNREST WILL OCCUR, BUT THE INGREDIENTS OF A "HOT AUTUMN" ARE CERTAINLY NOT LACKING. END SUMMARY.

1. NOW THAT THE VACATION PERIOD IS OVER, THE "HOT AUTUMN" THEME IS BEING DISCUSSED WITH GROWING FREQUENCY IN POLITICAL AND LABOR/MANAGEMENT CIRCLES, NOT TO MENTION THE MEDIA. THE TERM IS MEANT TO PROJECT A PICTURE OF ANTICIPATED LABOR UNREST AND STRIKE ACTIVITY, NOT JUST AS A CONSEQUENCE OF OBVIOUS ECONOMIC PRESSURES (INFLATION, UNEMPLOYMENT, RISING PRICES, ETC.), BUT ALSO RELATED TO THE ALLEGEDLY SLOW PROGRESS OF THE GOVT'S POLITICAL AND LABOR REFORM PLANS. IN THE FIRST INSTANCE, HOWEVER, ANY "HOT AUTUMN" WILL LIKELY BE TRIGGERED BY COLLECTIVE BARGAINING NEGOTIATIONS DURING THE SEPTEMBER-DECEMBER PERIOD INVOLVING AN ESTIMATED 950 EXPIRING COLLECTIVE BARGAINING AGREEMENTS (CBA) AFFECTING SOME 375,000 FIRMS AND CLOSE TO TWO MILLION WORKERS. HEADING THE SPANISH REGIONS IS THE BARCELONA INDUSTRIAL COMPLEX WITH CLOSE TO 200 EXPIRING CBAS AFFECTING 25,000 FIRMS AND APPROXIMATELY 300,000 WORKERS (PRINCIPALLY IN THE METAL INDUSTRY).

2. WITH THE OPPOSITION LABOR ELEMENTS NOW ON THE THRESHOLD OF LEGALIZATION, TRADE UNION LEADERS ARE DEMANDING THAT CBA NEGOTIATIONS THIS FALL BE HANDLED ON LABOR'S SIDE BY "REAL REPRESENTATIVES" OF THE WORKERS, NOT THE JURADOS DE EMPRESA (PLANT LABOR-MANAGEMENT COMMITTEES) SPONSORED BY THE DISCREDITED AND SOON TO BE DISMANTLED SSO (SPANISH SYNDICAL ORGANIZATION). HOWEVER, IF THE OFFICIAL COLLECTIVE BARGAINING MACHINERY IS TOSSED ASIDE, IT IS NOT AT ALL CLEAR HOW THESE "REAL REPRESENTATIVES" OF THE WORKERS WOULD BE SELECTED IN THE INTERIM PERIOD PENDING THE LEGALIZATION (AND PERHAPS MORE IMPORTANT, THE ORGANIZATION) OF SUCH LABOR GROUPS AS THE SOCIALIST UGT, SOCIAL CHRISTIAN USO, COMMUNIST-DOMINATED WORKERS' COMMISSIONS (SWC), AND THE LARGELY BARCELONA-BASED CNT.

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3. WHEN THE OBVIOUSLY CONCERNED SYNDICAL RELATIONS MINISTER, ENRIQUE DE LA MATA, RAISED THE "HOT AUTUMN" ISSUE IN HIS RECENT INFORMAL DIALOGUES WITH LABOR'S "BIG THREE" (UGT, USO, AND SWC - SEE MADRID 6858), ALL THREE REJECTED THE POSSIBILITY OF ANY SO-CALLED "SOCIAL PACT". LIBERAL INDEPENDENT EL PAIS OF SEPTEMBER 10 REPORTED THAT THE SECRETARIES GENERAL OF THE "ECONOMIC AND SOCIAL MINISTRIES"

HAD MET AT THE LABOR MINISTRY THE DAY BEFORE TO DISCUSS THE IMPLEMENTATION OF A FINAL "ECONOMIC-LABOR PACKAGE". ACCORDING TO THIS REPORT, SUCH A PACKAGE WOULD INCLUDE A) A SUSPENSION OF COLLECTIVE BARGAINING UNTIL THE POLITICAL REFORM PROCESS WAS COMPLETED AND B) A FORMULA MEANT TO PROTECT REAL WAGES THROUGH PERIODIC ADJUSTMENTS BASED UPON THE COST OF LIVING INDEX.

4. COMMENT. A GOVT MOVE ATTEMPTING TO DAMPEN ANY "HOT AUTUMN" BY MEANS OF A TEMPORARY COLLECTIVE BARGAINING FREEZE IS NOT UNTHINKABLE, DESPITE THE ADVERSE LABOR REACTION SUCH AN ACTION WOULD SURELY AROUSE. AN STV (SOLIDARITY OF BASQUE WORKERS - DISSIDENT WING) LEADER TOLD THE LABATT SEPTEMBER 8 THAT HE HAD IT FROM A "HIGH GOVT SOURCE" THAT CBAS WOULD BE FROZEN AND WAGES RAISED (AN ESTIMATED 8 PERCENT TO 10 PERCENT) BY DECREE. THE REASONING WAS THAT THE "ADVERSE ECONOMIC SITUATION" AND THE CONFUSION WHICH WAS EXPECTED TO ACCOMPANY LEGALIZATION AND ORGANIZATION OF THE OPPOSITION LABOR GROUPS DEMANDED SUCH A MEASURE AS A "BRIDGE" UNTIL SYNDICAL LIBERTY WAS ACCOMPLISHED.

5. OPPOSITION POLITICAL/LABRO CIRCLES HAVE BEEN TAKING THE LINE THAT IT WILL BE THE GOVT'S FAULT, NOT THEIRS, IF THE "HOT AUTUMN" COMES TO PASS. IN BARCELONA, FOR EXAMPLE, THE LABATT WAS TOLD (SEPTEMBER 2) THAT SPANIARDS WOULD GET THE TYPE OF AUTUMN THAT WAS BEING PREPARED "UPSTAIRS" BY THE REGIME. THUS, IF THE AUTUMN BROUGHT EXCESSIVE LABOR CONFLICT AND TURMOIL, THE RESPONSIBILITY WOULD BE THE GOVT'S, BECAUSE OF ITS ZIGZAG COURSE AND ITS RELUCTANCE TO MAKE PUBLIC ITS REFORM PLANS. THE MAN IN THE STREET, ACCORDING TO THIS THESIS, WAS SOMETHING OF A PAWN IN THE CONTEXT OF THE "HOT AUTUMN".  
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ALSO IN BARCELONA, THE UGT REGIONAL SECRETARY GENERAL SAW A DEFINITE RISK OF A SERIES OF "SPONTANEOUS" WILDCAT STRIKES WHICH THE SWC WOULD TRY TO TAKE ADVANTAGE OF. EMBASSY CONVERSATIONS WITH BUSINESSMEN HAVE REVEALED THEM TO BE GENERALLY ESIGNED TO A TOUGH FALL IN TERMS OF NEGOTIATIONS WITH LABOR.

6. IN CONTRAST, THE PSOE'S FELIPE ONZALEZ TOLD THE AMBASSADOR (MADRID 6168) HE WAS SOMEWHAT SKEPTICAL ABOUT THE "HOT AUTUMN" PREDICTIONS, IN PART BECAUSE HE BELIEVED THE WORKERS WOULD BE CONCERNED ABOUT KEEPING THEIR JOBS IN THE CURRENT ECONOMIC SLUMP. WE HAVE ALSO HEARD FROM BASQUE LABOR SOURCES THAT THE AUTUMN WOULD PROBABLY NOT BE SO HOT IN THAT REGION OF SPAIN. IN OUR VIEW IT DEPENDS IN THE FIRST INSTANCE, ON HOW CONTRACT NEGOTIATIONS GO

AND, AS WELL, ON THE DEVELOPING CLIMATE VIS A VIS LABOR AND  
POLITICAL REFORM. WE ARE NOT SURE HOW MUCH LABOR UNREST WILL  
OCCUR, THOUGH THE INGREDINETS FOR A HOT AUTUMN ARE NOT LACKING.  
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